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Testimony on the Nominations of Director of Central Intelligence,
Secretary of the Navy, and Assistant Secretary of the Air Force before
the Senate Armed Forces Committee

John Alex McCone, Director of Central Intelligence, testified before the Armed Forces Committee of the United States Senate on 18 January 1962. The purpose of the session was to investigate Mr. McCone's fitness to hold the post of Director of Central Intelligence. He was named to the post on 29 November 1961 under a recess appointment by President Kennedy. Before the appointment is permanent, it must be confirmed by the Armed Forces Committee and the entire Senate by a majority vote. Also interviewed were Neil E. Harlan, nominee for Assistant Secretary of the Air Force and Fred Korth, nominee for Secretary of the Navy.

After a review of Mr. McCone's qualifications by Chairman Russell, Senator McCarthy stressed the importance of the confirmation of the Director of Central Intelligence, saying that it was second only to the Presidency in the Executive Branch of Government. The reason was the lack of control and supervision by Congress or any other agency of Government over the activities, finances, and personnel of the Central Intelligence Agency (CIA). The Senator quoted several news columnists and ex-Secretary of Defense Charles Wilson on the dangers of a secret organization protected from the inquiries of Congress. CIA, characterized as powerful, huge, and expensive, is theoretically controlled by the President. However, McCarthy pointed out, the President is also in control of hundreds of agencies and therefore it is impossible for him to be fully informed at all times of the activities of CIA.

Given this lack of supervision and the powers allocated to the Director of Central Intelligence, it is important to know how the powers have been used and how they will be used. The question of actions carried out without constitutional justification is also important. The good or bad effects of these actions, said McCarthy, is secondary to the question of the legality of these operations. As examples, he quoted actions credited to CIA. Among them were the overthrow of Premier Mossadegh of Iran in 1953 and President Arbenz of Guatemala in 1954. In the latter case, McCarthy stated that CIA "takes credit for the overthrow...." Such actions were sanctioned neither by international organizations such as the UN nor by law or treaty. Constitutionally, Congress has the right to declare war, and it must have the responsibility of delegating any authority to the President which relates to the declaration of war. The Senator stated further that, in his opinion, briefings of members of committees dealing with matters "somewhat related" to the actions of CIA do not meet constitutional requirements. He called for participation in decisions regarding the activities of CIA by members of Congress, as in the cabinet system of government.

Senator McCarthy then began a discussion of the qualities desirable in a Director of Central Intelligence and nominee's qualifications. A Director should be aware of the dangers of carrying out unconstitutional actions, should be experienced in intelligence work, be a good administrator, have an understanding of the complexities of foreign policy, be concerned with the ethics of the means used to perform CIA's activities and should be "self-possessed, restrained, and detached."

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The nominee, said McCarthy, had the reputation of being a good administrator. However, he quoted a press release from the Atomic Energy Commission (AEC) stating that Chairman Seaborg had made major administrative changes in the organization. These changes, according to the press release, aimed at "improving the effectiveness of the organization".

After noting the lack of recorded views of the nominee on foreign policy, the Senator went on to discuss the character of Mr. McCone. He quoted several publications characterizing Mr. McCone as a tough, hard-driving man. While these qualities may not be bad in a Director of Central Intelligence, they do not in themselves qualify a man for the post. He said that Secretaries of Defense Wilson and McElroy had been known for similar qualities but they are not remembered as great Secretaries.

Fact-finding and objective judgement are the proper functions of the Director of the CIA, said Senator McCarthy. Polarizing opinions and supporting set positions should not be part of his job. The Senator noted that there had been a great deal of controversy about the atomic program. Mr. McCone had been "outspoken" in opposing an unpoliced moratorium on nuclear weapons testing. While not opposing the view itself, the Senator questioned Mr. McCone's prudence in taking such a view. He raised the question of whether Mr. McCone had taken a partisan position and then had attempted to influence public opinion and what methods he had used. The Senator said that there was information in the press "supposedly gained through leaks from the Atomic Energy Commission" and this information was considered to be harmful to our disarmament negotiations at Geneva.

The issue of a moratorium on nuclear testing was brought up in the 1956 Presidential campaign. Ten scientists from the California Institute of Technology published a letter in favor of a moratorium. On 15 October 1956, Mr. McCone wrote a letter to Dr. Thomas Lauritsen, one of the scientists. This letter attacked the position of the scientists and stated that they had apparently been deceived by Soviet propaganda. "It has been reported," continued Senator McCarthy, "that in addition to writing the letter, Mr. McCone, a trustee of Caltech, demanded that the ten scientists be fired."

Senator Symington of Missouri requested Senator McCarthy to yield the floor and asked if Mr. McCone had admitted making such a statement. Senator McCarthy replied that he had raised the question at Mr. McCone's hearing before the Atomic Energy Committee in 1958, but that Mr. McCone had not responded. Senator Smith of Maine interrupted to say that Mr. McCone should be allowed to respond to the statement. Senator Russell, Chairman of the committee, said that a Senator who is not a member of the committee cannot question a witness, but the witness will have the opportunity to testify "in anything he wishes to say." Senator Symington then asked that Mr. McCone be allowed to reply to Senator McCarthy's statement at his convenience. The Chairman said that Mr. McCone would be allowed to answer the statement in executive session. Senator Smith believed Mr. McCone should be allowed to answer the statement before the Committee questioned him. Senator Case of South Dakota then wished to know if the nominee had submitted a full financial statement to the Committee. The Chairman replied that statutes related to conflict of interest were limited to the Department of Defense, and that there

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were no such laws applying to the President or the Director of Central Intelligence. Senator Case said he felt that the Committee should have such information because of the sensitivity of the job. The Director could conceivably let his financial holdings influence his interpretation of intelligence. Senator Russell said that the Committee can request such information from the nominee if the members desired. Senator Symington then requested Senator Case to join him in sponsoring legislation requiring senators to make a full statement of their financial holdings. Senator Case replied that election campaigns exposed candidates for public office to sufficient public scrutiny to eliminate the possibility of conflict of interest.

Senator McCarthy continued his testimony. He said that the charges about the scientists, if true, were very serious. The faculty of a university should not be punished for expressing their views. The Senator thought the Committee should inquire into the charges. There are six questions he felt the Committee should ask. "Is the CIA to be reorganized, and, if so, in what respects? What bearing would such changes have upon the duties of the head of the CIA and upon the operation of that agency? What are the views of the nominee as to the authority for some of the actions attributed to the Central Intelligence Agency in the field of foreign affairs within recent years? What is the nominee's judgement as to methods which can be justifiably used by the Central Intelligence Agency? What was the extent of the nominee's involvement, if any, in what has been described or reported as "leaks" from the Atomic Energy Commission with reference to the moratorium on nuclear testing? What are the facts with regard to the charge of the nominee's attempt to have the scientists fired at the California Institute of Technology? These questions concluded Senator McCarthy's testimony.

Senator Saltonstall offered a motion that the Chairman of the Committee be empowered to determine which questions asked by members of the Committee should be answered in closed session. Senator Symington felt that the witness was qualified to decide on security implications of specific questions. Senator Russell added that it was the responsibility of each member of the Committee to exercise good judgement in the questions asked. The motion was therefore not needed, and Senator Saltonstall withdrew it.

Senator Russell began the questioning by ascertaining that the position of Director was not a policy-making one. He also established that information about the activities of the Agency was in fact available to the Secretary of State. He then asked if the CIA had been reorganized. Mr. McCone answered that the Agency had not been appreciably reorganized. The only change he had made was to have the Deputy Director of Central Intelligence sit on the United States Intelligence Board (USIB). He was intended to represent the point of view of the Agency, while the Director of Central Intelligence was to be Chairman of the Committee. Mr. McCone also plans to delegate much of the day-to-day operation of CIA to the Deputy Director. Senator Russell then established that the President had not changed either the authority or functions of the Director of Central Intelligence and the CIA. He asked Mr. McCone to be frank with the Committee and keep it informed as Mr. Dulles had done. The Committee wanted the

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Director's conclusions of facts, not a statement of the opinions or positions of other agencies in the Government. Mr. McCone assured the Chairman that he intended to fulfill all these requests. In response to questions about the selection of the new Deputy Director of Central Intelligence, Mr. McCone replied that he hoped to have the privilege of recommending him to the President. It was, Mr. McCone emphasized, the President's responsibility to select the Deputy Director, who would also have to appear before the Committee.

In answer to Senator Saltonstall's question about intended reorganization of the Central Intelligence Agency, Mr. McCone said that any proposed changes were being carefully studied before implementation. He assured Senator Saltonstall that as Director he would avoid policy-making. The questioning then turned to Mr. McCone's financial holdings. Mr. McCone said that his holdings had not changed appreciably since his confirmation for the AEC in 1958. At that time he had resigned from the active management of any firm in which he was interested, and placed all stock holdings in irrevocable trust until he left the government. He is willing to adopt such an arrangement again if the Committee wishes. The Senator then asked Mr. McCone if he saw any conflict of interest in the assignment of the operation of the nuclear ship Savannah to the States Marine Company in 1958. This company had as members of its management some individuals who were associated with the nominee in other business matters. Mr. McCone said that he knew of no conflict of interest because he had no interest, direct or indirect, in the operation of the firm.

Senator Symington said that he had known Mr. McCone since 1947 and commended him highly for his previous performance in the Government. He asked the Director if he would be unsupervised. Mr. McCone said he felt there was fully adequate supervision of the Central Intelligence Agency. The Senator then challenged Senator McCarthy's evaluation of the wisdom of expelling Prime Minister Mossadegh from Iran and asked Mr. McCone if he had had anything to do with that activity. Mr. McCone said he had not. He was asked about Viet Nam and Laos, to which he replied that his only experience with these two areas had been as a member of the National Security Council while Chairman of the AEC. Senator Symington reviewed Mr. McCone's intelligence experience in the AEC. He attacked the implied criticism of Mr. McCone's administration of the AEC by Senator McCarthy by saying that any good organization is constantly reorganizing, and this is a healthy sign. Mr. Symington pointed out Mr. McCone's stand for a sufficiency of tactical weapons and said that both he and Mr. McCone were against an unsupervised moratorium on atomic bomb tests.

The question of recommendation to fire the 10 scientists at California Institute of Technology was raised by Senator Symington. Mr. McCone said that he had communicated directly with Dr. Lauritsen and a review of his personal correspondence indicated that no copies of the letter had officially been sent to any other addressees. He did feel that the scientists had used their positions as professors to expound views which were only personal opinions. In regard to alleged leaks from the AEC,

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Mr. McCone said that none of these leaks had ever been attributed to himself or other directors. Senator Symington concluded the morning hearing by commending the nominee's experience and work highly.

Senator Smith said that she would not be in favor of confirmation of Mr. McCone until he had answered the charges contained in Senator McCarthy's testimony. She had not received a favorable impression of CIA and felt that the greatest care should be exercised in the selection of the head of the Agency. All of the nominee's predecessors had prior intelligence experience. She wanted to know Mr. McCone's qualifications for the job of Director of Central Intelligence. Mr. McCone answered that he had had serious reservations in his own mind about his qualifications for the job. In response to a question about the proper role and responsibilities of CIA, Mr. McCone said that these were set out in the act establishing the Agency. Senator Smith then brought in Columnist Drew Pearson's charges of conflict of interest. The nominee said that his financial holdings would not influence his performance as DCI at all.

Senators Thurmond and Jackson praised Mr. McCone's ability, honesty, and potential as Director of Central Intelligence. Senator Case of South Dakota referred to Mr. McCone's statement that he would not be in a policy-making position. He then asked about the seating of the Deputy Director of CIA on the USIB to advocate the Agency's point of view. Mr. McCone said that the USIB was not a policy-making body, and any policy referred to in this context was relevant to the collection and evaluation of Intelligence, not foreign policy. Any decision as the timing of a U-2 flight would be made by higher authority. He did not have information on decisions made about the Cuban invasion in 1961.

Senator Case then asked about the profits of the California Shipbuilding Corporation during World War II. Mr. McCone said that it was not fair to say that the Corporation had made \$44,000,000 in profits on a capital investment of \$100,000. He said that the founders of the corporation had committed \$3,300,000 in stocks or loans and \$4,000,000 in bank credits. The \$44,000,000 did not take into account non-reimbursable costs of \$4,000,000 nor the fact that most of the ship contracts were re-negotiated after completion of the ships. There was also a 95 percent income tax on the remainder. He asserted once more that he had had no connection with the "Savannah" award. At the time of the contract, the nominee was not in the AEC. He added that the contract was not made by AEC but by the Commerce Department. Mr. McCone repeated his offer to re-establish a trust fund for his stock holdings if a reason existed.

Senator Bartlett of Alaska confirmed that the nominee would not be influenced by his financial holdings. Mr. McCone said that his first loyalty was to his oath of office and that he would resign if asked to do anything contrary to it. Policy decisions about the activities of the Agency would be made by higher authorities. Questions about the new Deputy Director of Central Intelligence were raised by Senator Bush of Connecticut. The Senator said that a high-ranking military officer had always been either Director or Deputy Director. Will the new Deputy

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Director be a military man? Mr. McCone replied that he felt the Deputy Director should be the most able man available. A military man would be most desirable because such a man is usually well-trained in administration and because the business of the Agency had military ramifications. In case of war a substantial portion of the Agency would be under military jurisdiction and it would be well to have a man who understood the functioning of the military.

The hypothetical question of the authority to overthrow governments of countries rested with the President, Mr. McCone said. Senator Cannon of Nevada, who asked the question, then referred to Senator McCarthy's statement and asked if CIA did take credit for the overthrow of the government of Guatemala in 1954. Senator Synington interrupted to say that the Ambassador to Guatemala had taken credit for the event. A success such as that in Guatemala was likely to be claimed by many people; a failure was likely to be attributed to CIA.

Mr. McCone had read a prepared biographical sketch to the committee. He was born in San Francisco on 4 January 1902, attended public schools in Los Angeles, and graduated from the University of California at Berkeley in 1922 with a B. S. in engineering, magna cum laude. He had varied industrial experience, mainly in heavy industry such as steel and shipbuilding. In World War II, he was president of the California Shipbuilding Corporation, which built the Terminal Island shipyard in Los Angeles, one of the largest in the nation. After the war he became president of the Joshua Hendy Corporation and served on the boards of several businesses, including banking, aircraft manufacturing, insurance, electrical manufacturing, and passenger aircraft operators. His Government service began in the fall of 1947 as a member of the President's Air Policy Commission, whose chairman was Thomas K. Finletter. From March to November 1948 he served as Special Deputy to Secretary of Defense Forrestal and prepared two budgets for the Department of Defense. He also served as Under Secretary of Defense Forrestal and prepared two budgets for the Department of Defense. He also served as Under Secretary of the Air Force from May 1950 to October 1951. The nominee was a member of Secretary of State Dulles' Public Committee on Personnel, in 1954, which was charged with the improvement of the career service in the State Department. Nominated for a five-year term as a member of the Atomic Energy Commission in June 1958, McCone was named Chairman of the Commission on 14 July 1958. He has also accumulated a number of awards and honorary degrees.

Senator Synington concluded the hearing by asking the witness if he had done anything illegal or unethical during the war or afterward in business. Mr. McCone replied that he had not, to the best of his knowledge and belief. The Chairman called the Committee into executive session.

At a press conference after the hearing, Senator Russell said that the Committee would vote on Mr. McCone's nomination Monday. No substantial opposition to the appointment existed, but a few members had some reservations. Senator McCarthy's attack on CIA and Mr. McCone was based on two principal reasons. The Committee hearing provided a

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platform to express his views on the necessity for a Congressional committee to oversee the Agency. He was also concerned with a threat to academic freedom in efforts to remove professors for their opinions.